

AMENDED IN ASSEMBLY APRIL 25, 2000

AMENDED IN ASSEMBLY APRIL 3, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

## ASSEMBLY BILL

**No. 2360**

**Introduced by Assembly Member Honda**

February 24, 2000

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An act to add Section 17053.95 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2360, as amended, Honda. Income taxes: renter's credit: teachers and public safety officers.

The Personal Income Tax Law authorizes a renter's credit against the taxes imposed by that law.

This bill would provide an additional renter's credit, in an amount equal to \$500, for entry-level teachers and public safety officers, as provided.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17053.95 is added to the Revenue  
2 and Taxation Code, to read:  
3 17053.95. (a) For a qualified renter, there shall be  
4 allowed a credit against his or her "net tax" (as defined

1 in Section 17039). The amount of the credit shall be five  
2 hundred dollars (\$500).

3 ~~(b) For purposes of this section, a “qualified renter”~~

4 *(b) For purposes of this section, the following*  
5 *definitions apply:*

6 *(1) “Entry-level” means any person who has been in*  
7 *a profession for four years or less.*

8 *(2) “Premises” means a house or a dwelling unit used*  
9 *to provide living accommodations in a building or*  
10 *structure and the land incidental thereto, but does not*  
11 *include land only, unless the dwelling unit is a*  
12 *mobilehome. The credit is not allowed for any taxable*  
13 *year for the rental of land upon which a mobilehome is*  
14 *located if the mobilehome has been granted a*  
15 *homeowners’ exemption under Section 218 in that year.*

16 *(3) “Public safety officer” means any rank and file*  
17 *state or local law enforcement officer, including any*  
18 *sheriff officer, police officer, or firefighter.*

19 *(4) “Qualified renter” means an individual who is*  
20 *either an entry-level teacher for students in grades*  
21 *kindergarten to 12, inclusive, or a an entry-level public*  
22 *safety officer, who is currently working in that profession,*  
23 *and who:*

24 ~~(1)–~~

25 *(A) Was a resident of this state, as defined in Section*  
26 *17014, and*

27 ~~(2)–~~

28 *(B) Rented and occupied premises in this state certain*  
29 *unspecified metropolitan statistical areas with a cost of*  
30 *living greater than \_\_\_\_\_ which constituted his or her*  
31 *principal place of residence during at least 50 percent of*  
32 *the taxable year.*

33 ~~(c) The term “qualified~~

34 *(5) “Qualified renter” does not include any of the*  
35 *following:*

36 ~~(1)–~~

37 *(A) An individual who for more than 50 percent of the*  
38 *taxable year rented and occupied premises that were*  
39 *exempt from property taxes, except that an individual,*  
40 *otherwise qualified, is deemed a qualified renter if he or*

1 she or his or her landlord pays possessory interest taxes,  
2 or the owner of those premises make payments in lieu of  
3 property taxes that are substantially equivalent to  
4 property taxes paid on properties of comparable market  
5 value.

6 ~~(2)–~~

7 (B) An individual whose principal place of residence  
8 for more than 50 percent of the taxable year is with any  
9 other person who claimed that individual as a dependent  
10 for income tax purposes.

11 ~~(3)–~~

12 (C) An individual who has been granted or whose  
13 spouse has been granted the homeowners' property tax  
14 exemption during the taxable year. This paragraph does  
15 not apply to an individual whose spouse has been granted  
16 the homeowners' property tax exemption if each spouse  
17 maintained a separate residence for the entire taxable  
18 year.

19 ~~(d)–~~

20 (c) Any otherwise qualified renter who is a  
21 nonresident for any portion of the taxable year shall claim  
22 the credits set forth in subdivision (a) at the rate of  
23 one-twelfth of those credits for each full month that  
24 individual resided within this state during the taxable  
25 year.

26 (d) *This section applies to married individuals whose*  
27 *adjusted gross income for the taxable year does not*  
28 *exceed two hundred thousand dollars (\$200,000) or any*  
29 *individual whose adjusted gross income for the taxable*  
30 *year does not exceed one hundred thousand dollars*  
31 *(\$100,000).*

32 (e) Every person claiming the credit provided in this  
33 section shall, as part of that claim, furnish that information  
34 as the Franchise Tax Board prescribes on a form supplied  
35 by the board.

36 (f) The credit provided in this section shall be claimed  
37 on returns in the form as the Franchise Tax Board may  
38 from time to time prescribe.

39 ~~(g) For the purposes of this section, the term~~  
40 ~~“premises” means a house or a dwelling unit used to~~

~~1 provide living accommodations in a building or structure  
2 and the land incidental thereto, but does not include land  
3 only, unless the dwelling unit is a mobilehome. The credit  
4 is not allowed for any taxable year for the rental of land  
5 upon which a mobilehome is located if the mobilehome  
6 has been granted a homeowners' exemption under  
7 Section 218 in that year.~~

~~8 (h)—~~

(g) For each taxable year beginning on or after January 1, 2001, the Franchise Tax Board shall recompute the adjusted gross income amounts set forth in subdivision (a). That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall compute an inflation adjustment factor by adding 100 percent to that portion of the percentage change figure which is furnished pursuant to paragraph (1) and dividing the result by 100.

(3) The Franchise Tax Board shall multiply the ~~amount in subparagraph (B) of paragraph (1) of subdivision (d)~~ *amount in subdivision (a)* for the preceding taxable year by the inflation adjustment factor determined in paragraph (2), and round off the resulting products to the nearest one dollar (\$1).

~~(4) In computing the amounts pursuant to this subdivision, the amounts provided in subparagraph (A) of paragraph (1) of subdivision (a) shall be twice the amount provided in subparagraph (B) of paragraph (1) of subdivision (a).~~

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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